

EXHIBIT E

W. B. Ralph, Member, Commissioner
John M. Baker, Commissioner
Jeffrey A. Saitas, Executive Director



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

February 1, 2000

RECEIVED

FEB 1 2000

Mr. Gerald R. Johnson
Environmental Permitting Manager
TXU Business Services
1601 Bryan Street 9th Floor
Dallas, Texas 75201-3411

Re: Steam Turbine Maintenance Projects
Big Brown Units No. 1 and 2 (Account No. FI-0020-W)
Martin Lake Units No. 1, 2, and 3 (Account No. RL-0020-K)
Monticello Units No. 1, 2, and 3 (Account No. TF-0013-B)
Sandow Unit No. 4 (Account No. MM-0023-J)

Dear Mr. Johnson:

This is in response to your letter dated October 13, 1999 to Mr. Emmanuel Ukandu of our Air Permits Division staff. We understand that TXU Electric plans a series of steam turbine maintenance projects at a number of your coal-fired generating units referenced above, consisting of the installation of redesigned turbines in conjunction with turbine maintenance that is routinely conducted on these units.

You have represented that:

- the higher efficiency of the replacement steam turbine equipment will not increase the capability of the associated boiler to burn fuel or produce steam;
- the improved turbine design will allow the unit's electric generator to provide more output per pound of steam by more efficiently transferring steam energy to the electric generator;
- the boiler heat input required to produce any given electric generator output will not increase and will very likely decrease;
- hourly fuel consumption will not increase as a result of this maintenance;
- there will be no increase in hourly boiler emissions;

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Mr. Gerald R. Johnson

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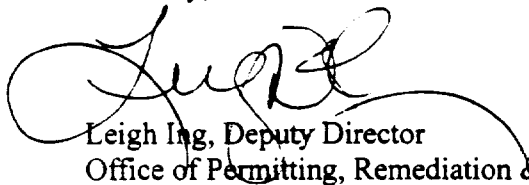
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Re: Steam Turbine Maintenance Projects

- utilization (the annual capacity factor) of these units will not be increased as a result of the improved turbine performance; and
- any future increase in annual utilization would be the result of increasing demand for power and would not result from changes in pricing, unit availability, or a change in TXU Electric system dispatch preferences.

Based on these representations, we concur that these projects are not modifications requiring state New Source Review. If you have any questions, please contact Mr. James Randall, P.E., of our Texas Natural Resource Conservation Commission Office of Permitting, Remediation, and Registration, Air Permits Division at (512) 239-1078.

Sincerely,



Leigh Ing, Deputy Director
Office of Permitting, Remediation & Registration

LI/JR/ss

cc: Mr. Charles Murray, Air Program Manager, Tyler
Mr. Salal Tahiri, Manager, Air Program, Waco
Ms. Jole Luehrs, Chief, New Source Review, Section (6PD-R), Environmental Protection
Agency, Region 6, Dallas

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